

Remarks

Reconsideration and reexamination of the above-identified patent application, as amended, are respectfully requested. Claims 1-8 and 10-20 are pending in this application upon entry of this Amendment. In this Amendment, the Applicant has amended claims 1-3, 11-12, and 19; and cancelled claims 9 and 21. No claims have been added. Of the pending claims, claims 1 and 11-12 are independent claims.

The Decision on Appeal from the Board of Patent Appeals and Interferences

In the Office Action mailed February 7, 2006, the Examiner noted that the Board's Decision dated February 14, 2006 reversed the rejection of claims 1-21 (which were rejected under 35 U.S.C. § 103(a) in view of U.S. Patent No. 5,850,442 issued to Muftic). The Examiner indicated that the Board's reason for reversal of the rejection was because the rejection failed to show "a transaction device having a card reader (claim 1), or a point of sales terminal (claims 11 and 12), that does not use proprietary software of a merchant service provider to complete a transaction" (Board Decision page 2). The Examiner indicated that the Examiner has specific knowledge of a particular reference which demonstrates such obviousness and, therefore, the Examiner reopened prosecution.

The Applicant notes that the Board had another reason for reversal of the rejection. Namely, the rejection failed to show "a web server including commands for processing a transaction" (Board Decision page 3). To this end, the Board indicated that the rejection failed to show "installing, on a merchant service provider server, software for completing a transaction" (Board Decision page 3) and failed to show "the location of software used to complete a transaction" (Board Decision page 4).

Claim Rejections - 35 U.S.C. § 112

The Examiner rejected claims 1-21 under 35 U.S.C. § 112, 1st paragraph, based on the rationale that the Applicant has failed to describe (a) the phrase “non-proprietary software” as set forth in the claims and (b) what is meant by the phrase “to complete the transaction” as set forth in the claims.

With respect to (a), the Examiner indicated that by the phrase “non-proprietary software” it is possible that the Applicant merely means that the claimed invention is using well-known browsers for transmission of data to the web server from the transaction device. The Examiner posited that the Applicant has failed to describe the function or scope of the non-proprietary software as the non-proprietary software is only limited in scope by the phrase “to complete the transaction”.

With respect to (b), the Examiner indicated that although the phrase “to complete the transaction” may appear to be common sense in its meaning, it is possible that the Applicant is misusing the phrase or may need to better define what is meant by the phrase. To this end, the Examiner inquired, as examples, does “to complete the transaction” refer to (i) the actual transfer of funds from between two accounts which completes the sales transaction; (ii) the reading of data from the consumer’s card by the terminal device; or (iii) the complete transmission of transaction data to the web server? The Examiner further indicated that one of ordinary skill would understand that the so-called transmission transaction, if this is what the Applicant is referring to, actually has at least three parts (a beginning part where the connections to the web servers are established; a middle part where application layer data is passed back and forth; and a completion part where the connections are torn down). As such, the Examiner posited that because the non-proprietary software was not fully described one cannot honestly say what the metes and bounds are of the phrase “to complete the transaction”.

The Examiner indicated that if the non-proprietary software is merely TCP/IP then the Applicant is using the non-proprietary phrase correctly. The Examiner further indicated that, however, if the Applicant has some other type of software that is being used to pass application layer data, then that software would not be getting used during the completion part of the transaction.

In response, the Applicant has amended independent claims 1 and 11-12 to address the Examiner's 35 U.S.C. § 112, 1st paragraph, concerns. Claims 2-10 and 13-20 depend from one of amended independent claims 1 and 12. Accordingly, the Applicant respectfully requests reconsideration and withdrawal of the rejection to the claims under 35 U.S.C. § 112, 1st paragraph.

Claim Rejections - 35 U.S.C. § 103

The Examiner rejected claims 1-3, 5-15, 17-19, and 21 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,850,442 issued to Muftic ("Muftic") in view of PR Newswire (*General Instrument's Digital Interactive Cable TV Set-Top Terminals to Become the Latest New Acceptance Device for Smart Cards*) ("PR Newswire"). The Applicant believes that the claimed invention is patentable over Muftic in view of PR Newswire and has amended independent claims 1 and 11-12 to more clearly define thereover.

The claimed invention, as set forth in amended independent claims 1 and 11-12, generally includes (i) the merchant service provider web server has commands for processing transaction information associated with the transaction card to obtain authorization from the merchant service provider for the transaction; (ii) the transaction device (terminal) does not use any merchant service provider proprietary software for the transaction information to be processed to obtain authorization from the merchant service provider for the transaction; and (iii) the transaction device (terminal) accesses the web server without accessing any merchant service provider proprietary network.

With respect to (i), as indicated above, the Board noted that Muftic (particularly, col. 9, lines 15-55 of Muftic) failed to show "a web server including commands for processing a transaction" (Board Decision page 3). Col. 9, lines 15-55 of Muftic discloses a network 100 having clients 120 and electronic commerce servers 110; the servers receive and respond to connections and/or messages from the clients; and the users participating in electronic commerce are logically related in a certification matrix using security servers and, as such, the standard Internet environment is augmented with security features in order to facilitate electronic commercial transactions which are free of the problems of the prior art. In the Office Action, the Examiner posited that Muftic discloses a web server having commands for processing (authenticating parties, accessing information, ordering product and/or service) the transaction (citing col. 7, lines 16-45 of Muftic). Col. 7, lines 16-45 of Muftic is generally directed to the same disclosure of col. 9, lines 15-55 of Muftic. Particularly, security servers link all registered users in a public key infrastructure and, as such, authenticating parties involves the use of public keys. Further, authentication of parties as to their identity on a given web server is not the same as a web server processing transaction information associated with the transaction card to obtain authorization from a merchant service provider for the transaction.

With respect to (ii) (the transaction device (terminal) does not use any merchant service provider proprietary software for the transaction information to be processed to obtain authorization from the merchant service provider for the transaction), the Examiner posited that PR Newswire discloses this limitation. PR Newswire generally mentions a flexible non-proprietary open platform which enables the fast and easy development of globally interoperable multiple application smart card systems. PR Newswire indicates an end goal of the open platform is to let users use their smart cards over digital TV networks. As such, the open platform enables smart card systems to communicate with one another. The open platform is described as being "non-proprietary" and, as such, "software developers can create programs that run on a wide variety of chips and operating systems, enabling banks and financial institutions to develop their own smart cards on which they can run numerous programs, providing their customers with a broad array of value-added functions."

Accordingly, the Applicant believes that the relevance of PR Newswire is that it discloses a non-proprietary open platform for use in smart card systems and that the open platform can somehow be tailored or improved by software developers on behalf of banks and financial institutions. As such, PR Newswire does not teach or suggest that a transaction device (terminal) does not use any merchant service provider proprietary software for transaction information to be processed to obtain authorization from a merchant service provider for a transaction.

In view of the foregoing amendments and remarks, the Applicant believes that amended independent claims 1 and 11-13 are patentable under 35 U.S.C. § 103(a) over Muftic in view of PR Newswire. Claims 2-3, 5-8, 10, 13-15, and 17-19 depend from one of amended independent claims 1 and 12 and include the limitations of their respective base claim. Accordingly, the Applicant respectfully requests reconsideration and withdrawal of the rejection to claims 1-3, 5-8, 10-15, and 17-19 under 35 U.S.C. § 103(a).

The Examiner rejected claims 4, 16, and 20 under 35 U.S.C. § 103(a) as being unpatentable over Muftic and PR Newswire in view of U.S. Patent No. 5,987,498 issued to Athing. Claims 4, 16, and 20 depend from one of amended independent claims 1 and 12 and include the limitations of their respective base claim. Accordingly, the Applicant respectfully requests reconsideration and withdrawal of the rejection to claims 4, 16, and 20 under 35 U.S.C. § 103(a).

CONCLUSION

In summary, claims 1-8 and 10-20, as amended, meet the substantive requirements for patentability. The case is in appropriate condition for allowance. Accordingly, such action is respectfully requested.

S/N: 09/466,271
Reply to Office Action of February 7, 2006

Atty Dkt No. FDC 0135 PUS (0122000 US)

If a telephone or video conference would expedite allowance or resolve any further questions, such a conference is invited at the convenience of the Examiner.

Respectfully submitted,

IAN M. DRYSDALE

By 

James N. Kallis

Reg. No. 41,102

Attorney for Applicant

Date: May 5, 2006

BROOKS KUSHMAN P.C.
1000 Town Center, 22nd Floor
Southfield, MI 48075-1238
Phone: 248-358-4400
Fax: 248-358-3351